

ABSTRACT

This research deals with the shift of the Australian international economic orientation and the relations between Australia and Indonesia.

The assumption underlying this research is that economic orientation of a country is not shaped the contrast of demographic and historical background. Instead, it is merely shaped by her interests to pursue the surpluses of her trade.

The data show that the shift in the Australian economic orientation from England to Asia-Pacific has been driven by the deficit of her trade with England and by the surpluses of her trade with the East and Southeast Asian countries.

The data also show that the sister state/province of the Western Australia and East Java have been developing in line of the increase of the Australia-Indonesia trade relationship. Both the Western Australia and East Java have relatively similar economic strength, by which they could hope to develop a cooperation for mutual benefit. The East Java could not expect too much in getting a new market for its non-oil products, since the population of the West Australia is small compared to East Java. However, the East Java could obtain from the West Australia new sources of investors and technological skill.